City of Lafayette
Public Meeting Agenda
City Council Meeting

MINUTES

Lafayette Community Center -- Manzanita Room **February 11, 2008**
500 St. Mary's Road, Lafayette, California **6:30 p.m.**

1. CALL TO ORDER

Mayor Anderson called the meeting to order at 6:30 p.m.

2. ROLL CALL

Present: City Council: Mayor Anderson, Vice Mayor Tatzin, Councilmembers Andersson, Anduri and Federighi
Absent: None

Staff: Steven Falk, City Manager; Mala Subramanian, City Attorney; Ann Merideth, Community Development Director; Niroop Srivatsa, Planning & Building Services Manager

3. ADOPTION OF AGENDA

ACTION: It was M/S/C (Tatzin/Andersson) to adopt the agenda. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

4. PUBLIC COMMENTS – None

5. CLOSED SESSION

A. Conference with Legal Counsel – Existing Litigation
Government Code section 54956.9 (a)
Security Owners Corp. vs. Richard F. Homes; Richard F. Holmes vs. City of Lafayette Case No. C-07-00251
Recommendation: Discuss and direct staff.

6. ADJOURNMENT

ACTION: It was M/S/C (Tatzin/Andersson) to adjourn the meeting at 6:55 p.m. to the regular City Council meeting. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

APPROVED:

_____
Mike Anderson, Mayor

ATTEST:

_____
Joanne Robbins, City Clerk

City of Lafayette
Public Meeting Agenda
City Council Regular Meeting
Redevelopment Agency Special Meeting

MINUTES

Lafayette Community Center - Manzanita Room **February 11, 2008**
500 St. Mary's Road, Lafayette, California **7:00 p.m.**

1. CALL TO ORDER

Mayor Anderson called the meeting to order at 7:04 p.m.

2. ROLL CALL

Present: Mayor Anderson, Vice Mayor Tatzin, Councilmembers Andersson, Anduri and Federighi

Absent: None

Staff: Steven Falk, City Manager; Tracy Robinson, Administrative Services Director; Ann Merideth, Community Development Director; Tony Coe, Engineering Services Manager; Niroop Srivatsa Planning/Building Services Manager; Gonzalo Silva Financial Services Manager; Ron Lefler, Director of Public Works; Mala Subramanian, City Attorney; Joanne Robbins, City Clerk

3. PLEDGE OF ALLEGIANCE – led by Girl Scout Troop 1017

4. ADOPTION OF AGENDA

ACTION: It was M/S/C (Tatzin/Federighi) to adopt the agenda. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

5. REPORT FROM CLOSED SESSION

A. Conference with Legal Counsel – Anticipated Litigation
Government Code section 54956.9 (b) – Significant exposure to litigation (1 potential case)
Recommendation: Discuss and direct staff.

Mayor Anderson reported that direction was given to the City Attorney in Closed Session.

6. PUBLIC COMMENTS

KRISTA MCGUIRE, encouraged the City to complete the multi-purpose path from Pleasant Hill Road southbound to Old Tunnel Road and Olympic Valley. She voiced concerns of vehicle speeds and safety, discussed neighborhood work with police and physical changes and improvements made since the path was developed.

7. **PRESENTATIONS** – None

8. **OLD BUSINESS** – None

Convene Redevelopment Agency

ACTION: It was M/S/C (Tatzin/Anderson) to jointly convene the Redevelopment Agency.

9. **STAFF REPORTS**
   A. **Tracy Robinson, Administrative Services Director**
   Budget Workshop & Municipal Goal Setting
   Recommendation: Discuss and direct staff.

City Manager Falk said the meeting will focus on the City's budget and the Council's interest in planning for the future. For the past several years, funding issues have dominated the Council's agendas because among the City's other service deficits, Lafayette provides the lowest per capita police staffing in the County and also faces an unfunded $23 million road repair backlog. Compared to other cities, Lafayette's revenues are limited by the City's lack of auto malls, big box stores and large shopping centers that generate a large amount of sales tax. The City also receives a relatively low share of property taxes and as a result, Lafayette was originally incorporated as a minimal service City that contracts for most services and attempts to provide them in the most efficient way.

City Manager Falk discussed limited City services operating without frills, said staff meets each year with the City Council who has urged staff to squeeze any waste out of operations and by so doing, create savings that can pay for road reconstruction and otherwise provide an emergency reserve. This budget philosophy was first articulated in 1992 when the Council appointed and received a report from the Lafayette Finance Committee and "squeeze-to-pave" has been the prevailing budgetary philosophy since that time.

Relating to the road work backlog and police staffing levels, City Manager Falk said it is difficult to fund those problems when the entire City annual budget is $11 million and over the last decade the City Council and staff have been aggressive in seeking new revenue sources. Most recently, the City doubled the parking meter rates, doubled the number of parking meters, spent time negotiating a new agreement with the County to capture more Redevelopment increment, spent staff time working with the Chamber of Commerce on a brand identity for the downtown through many campaigns in an effort to further develop vitality and increase sales tax revenues, revised all major fees, attempted to increase the assessments of downtown property owners which was unsuccessful, made the City's many recreational programs pay for themselves raised planning fees such that the department operates as revenue neutral, and most notably the City has asked voters on 4 separate occasions to approve two Citywide taxes for enhanced police services and two taxes for road repair programs, all of which have failed.

City Manger Falk said Mayor Anderson and Vice Mayor Tatzin, who serve as the Finance Subcommittee, asked for a broader overview of where the City is and where it is going. Because of the failed measures, some residents are increasingly disappointed

and frustrated. While squeeze-to-pave as a philosophy has been partially effective in generating money for the CIP, it is not a complete fix and City staff and Council are encountering a higher level of dissatisfaction as a result. Therefore, some believe the City should make significant tradeoffs. The Council also has heard the need for senior services, a community center in the downtown area, an expectation that the new library will be commensurate with a full service city library, and some residents even ask that Lafayette expand its range of services.

Given this, staff feels that the Council has a couple of choices: 1) to continue with the "squeeze-to-pave" budget philosophy used over the last 15 years; and 2) to continue to operate the City as efficiently as possible, squeeze out as much as it can for the CIP and hope something will change such that in the future the City will be successful in passing another tax for roads or police. He said Mayor Anderson and Tatzin have suggested that doing this may not leave very many people satisfied because it will remain a perpetual problem. Anderson and Tatzin suggested staff present a longer term strategy showing how much is necessary to fully fund the many different service needs and even higher service levels preferred by enough residents so as to have a tax measure passed.

In the report, staff suggests there are at least 4 steps required to achieve a long-term strategy: 1) public education; 2) statement about evaluating the city's efficiency; 3) doing collaborative goal-setting with the public; and 4) testing options to see what might work.

Public Education. Most people in cities are not highly conversant about the intricacies of their budget, but unless people understand what the City's needs and resources are, they most likely will not support a tax measure. For 15 years, the Council has been interested in spending money on public education about the budget and City Manager Falk discussed the many forms of public education already provided and in place. He said most recently Councilmember Andersson has been working to establish a Speaker's Bureau that will be made up of Councilmembers available to speak to any group that will have them. This is on-going effort and the City needs to continue to think of ways to fresh ideas and penetrate the attention of its residents.

Efficiency Review of the City. This effort would demonstrate to members of the public that Lafayette is operating as efficiently as it can, given its constraints. Many cities create a Citizens' Task Force to review the City's budget and provide an opinion. This was done in 1992 with the Lafayette Finance Committee and the Council may want to do this again. The Chamber of Commerce has made a standing offer from some of its members and financial professionals to review the budget to see if there are further efficiencies. Administrative Services Director Robinson also prepared comparative statistics. City Manager Falk said he was not sure it was reasonable to accept Lafayette being the cheapest service provider, as it was incorporated because it did not like the mass-produced services it was receiving from the County. He noted residents wanted more customized services, each street is different in town and most residents expect a "personal touch" in many aspects of everyday services the City provides. Likewise, on the planning side, a developer will not submit proposals for 500 tract homes that all look similar, but will rather submit proposals for more custom-like homes. Like any custom product, it costs more but staff processes it very inexpensively and very efficiently.

Collaborative Goal-Setting. The Council is good at this. Over the last 15 years, 6 scientific surveys were done by polling residents, hundreds of public meetings have been held, and voices were heard and acted on. The Council has also embarked on a

$500,000 strategic planning process for downtown and conducted a survey garnering 2,500 comments from residents. However; in moving forward, options for doing more goal-setting is needed.

Testing Options. The City has used scientific polls in the past which have proven to be highly accurate and invaluable. He said Administrative Services Director Tracy Robinson will provide a PowerPoint presentation, encouraged the Council to hold discussion on what direction the Council wants to go and then identify specific goals the Council would like to see in the next fiscal year.

Administrative Services Director Tracy Robinson presented the City's budget buckets, stating the entire budget is made up of various funds:

1. Special Revenue Funds of $8.1 million which include grants from state and federal agencies, parkland dedication fees, or any money that comes to the City for a specific purpose;
2. Enterprise Funds of $1.5 million. These funds are completely self-supporting and consist primarily of parks and recreation funds as well as the parking program supported by parking meters and parking citations;
3. The RDA of $36 million that can only be spent for specific projects in specific areas of the City;
4. The General Fund of $11.6 million, which includes all of the discretionary expenses.

All funds add up to a total budget of $47.2 million with reserves of $7.5 million, which is targeted at 50% of the General Fund expenditures. For FY 2007/08, the General Fund ended up with $1.8 million above that target reserve.

Ms. Robinson presented the General Fund and where the City spends its money for a total of $10.6 million, as follows:

- The bulk is spent on Police at $4.028 million (38%)
- Public Works at $2.484 million (23%)
- Administration at $2.261 million (21%)
- Pavement Management Program at $1.367 million (13%)
- Planning at $286,000 (3%)
- Parks Trails and Recreation at $134,000 (1%)
- Seniors at $80,000 (.7%)
- Youth Services at $39,000 (.4%)

Comparisons reveal:

- Lafayette has fewer employees than most comparable cities, at 1.6 employees per 1,000 residents excluding sworn police;
- Lafayette has comparatively low administrative costs at 21% which is the lowest, with Orinda have the highest at 29%;
- Lafayette has the lowest per capita police coverage compared to similar cities which is .70 officers per 1000 residents;

- Lafayette's police costs per resident is $159 and is in the middle of the other cities;
- Lafayette spends a larger percentage of General Fund revenue on pavement management programs than comparable cities at 9%. Other cities will spend only what they get in Gas tax and Measure J monies;
- Lafayette spends comparatively more on its Public Works and Capital Improvement Program at 37% of the budget;
- Lafayette receives an average amount of General Fund revenue at $477 per resident and stands in the middle of comparable cities;
- Lafayette receives less property tax per capita than most comparable cites at $154 per resident, with Orinda receiving $270 per resident;
- Lafayette receives more sales tax revenue than most comparable cities at $114 per resident. Only Pleasant Hill receives more at $228 per resident due mostly to their large shopping centers;
- Lafayette receives an average amount of franchise fee revenue from Cable, PG&E and Waste Management at $46 per resident and is in the middle of the cities surveyed;
- Lafayette lacks some revenue sources that other cities have; Assessments at $158,000, TOT at $550,000, no business license revenue, franchise revenue of $1,114,000, and no utility user tax.

Regarding future funding needs, City Manager Falk said staff broke issues into three categories: Near term - "In Your Face"; Mid-Term – "Emerging Issues"; and Long-term – "On the Radar".

Near Term Funding Needs: include road repair, police services, parking and library services.

Mid-Term Funding Needs: include implementing the Downtown strategy, utilization of the old library for City offices; enhanced senior services, and repair of the City's Community Center asset. He noted the Downtown strategy will be completed sometime this fall and the City will have some direction but will discuss how to fund capital improvements. The old library will be abandoned in about one year and the City has the contractual obligation to purchase it. Enhanced senior services are emerging as the City's senior population is growing. And, the Community Center is 60 years old and Councilmember Andersson has been working with the Parks, Trails and Recreation Director to make the building more efficient; however, at some point, the City will have to think about investing and maintaining the facility.

Long-Term Funding Needs: include the Parks Master Plan, acquiring open space, park theatre/cultural assets, and a Downtown Community Center. City Manager Falk said the Parks, Trails and Recreation Commission will complete the Master Plan which will articulate which parcels should be acquired over the long term to produce the right amount of parks for Lafayette. Likewise, there is interest among open space advocates in acquiring open space when it becomes available. The Lafayette Park Theatre sits vacant and there have been conversations about what could or should be done to preserve it and re-enliven it as a cultural asset. There is no current financial plan and there may be other assets that come on line that the Council may wish to plan for. And, youth and seniors have voiced a need to create a Downtown community center to benefit many groups; however, there is no current financial plan for this.

Regarding what staff has done in an effort to meet needs:

NEAR TERM-"IN YOUR FACE":

ROADS	• Spent $4.2 M average each year on CIP since 1994 • Contributed $1 M from GF annually • Released additional $4 M from GF reserves • $13M bond measure passed in 1995 • Two tax measures (failed)
POLICE	• Spent $4 M annually (38% of GF) • Added 1 officer (2003) & 1 sergeant (2005) • Added Police Services Officer (2007) • Two tax measures (failed)
PARKING	• Established Parking Fund ($2.7 M balance) • Deposited $100,000 annually into fund • Evaluated several potential sites
LIBRARY SERVICES	• Negotiating loan between the Library Foundation and the RDA • Additional fundraising underway

MID TERM-"EMERGING ISSUES"

DOWNTOWN STRATEGY	• Hired a consultant with $500,000 in RDA funds • Conducted public meetings& surveys • Results expected in September
OLD LIBRARY/CITY OFFICES	• Obligated to buy the old library by 2011 • Set up City Offices fund to bank land sales • Current balance $2.4 M
SENIOR SERVICES	• Established Senior Transportation Program • Authorized Senior Needs Assessment
COMMUNITY CENTER	• Contributed $10,000 annually to maintenance fund • Energy audit in process

LONG TERM-"ON THE RADAR"

PARKS MASTER PLAN	• In progress • Updated Parkland Dedication Fees
OPEN SPACE	• Hired consultant to review development fees
PARK THEATER	• None
DOWNTOWN COMMUNITY CENTER	• None

Mayor Anderson asked that the Council first receive public comments.

PUBLIC COMMENTS:

GORDON MATTONA presented an article from the Sun entitled, "Lafayette to Begin Road Work" dated December 7, 2007, said the article discusses where funds come from to repair roads and he questioned why the Council is procrastinating. He asked that the City spend their money on roads, spoke of repeated work on potholes that do not last, cited the waste of money and asked that repair of roads be the Council's top priority.

GEORGE BURTT, Lafayette Homeowners Association and Acalanes Valley Homeowners, acknowledged that the City has done road work over a period of years, and that extra money has been allocated, but they would like to work with staff and the entire Council to get some sort of repair flow they can count on. Regarding deferring maintenance for 1-2 years, he said money had been taken from some of the worst roads and allocated to some of the best roads on the scoring, which is the opposite of what was done in the past. He therefore requested that deferral of maintenance be determined by the Council as a policy matter.

Councilmember Anduri confirmed with Engineering Services Manager Tony Coe that the 118 roads are screened and prioritized. The screening criteria looks at the condition of the road, the number of households affected, safety problems, infrastructure needs, and in general, the Council has agreed to take the highest scoring streets first from the list of 118 roads.

Vice Mayor Tatzin noted the City has contributed at least $1 million from its General Fund each year in addition to the funding it receives from Gas tax and Measure C funding and grants. He said the City may be able to allocate more during some years, but reiterated that $1 million from the General Fund should not be viewed as a guaranteed funding source. Councilmember Federighi noted the City also whittled down its backlog from $29 million to $23 million.

JAY LIFSON, Chamber of Commerce, said the Chamber of Commerce applauds the Council in their efforts to understand the needs of the community and find solutions, said the Chamber gave full support to both measures that failed, knows there will be some maneuvering to look at all possible revenue sources and one will be the Parking Fund. He read an article from the 1992 Chamber newsletter regarding Lafayette's budget in crisis due to the Sacramento budget. The article anticipates that parking meters will be in downtown Lafayette, the Council will look toward numerous revenue sources, and he said the Chamber's Governmental Affairs Committee supported the parking meters with the understanding that the City will not put this revenue in the General Fund; that revenue from parking sources will be in a separate fund. He said they will lobby strongly that the revenue be used to build a downtown parking structure or otherwise improve the downtown street maintenance, reminded the Council that the fund was created in 1992 with that understanding, the promise has been repeated by many Councilmembers over the years, said the Downtown Strategic Survey shows 90% of residents are very satisfied with downtown parking and 33% were somewhat satisfied, and reminded the Council that 25% of the General Fund money comes from sales tax.

LARRY BLODGETT said he is pleased to see parking as a major goal of the Council but did not agree with the Parking Fund being raided for other purposes. He asked the City to continue to make bids on property, spoke of the City of Danville's example where they

paid a lot for property downtown and now have a parking structure able to fit 33 cars. He said while the parking survey revealed there is no parking problem, respondents are business owners and employees and not the consumers. His customers agree there is a parking problem, he voiced concern that the meter and citation monies could be diverted in the future, asked that in the budget review process the Council look further to obtaining grants, and cautioned the Council to look at whether or not it will be able to afford maintaining those long-term downtown projects and amenities in the future.

MIRO MILOSEVICH voiced concern that only $800,000 and not the full $1 million was being spent on roads. He presented pictures of a 6-inch deep pothole, said the condition of streets are so bad that putting patches over potholes did not make any difference and asked the Council to first repair the worst streets.

Vice Mayor Tatzin confirmed with Mr. Milosevich that he would still advocate for fixing the bad streets and not using the money to fix the good streets even if it cost 20% more to do so. Ms. Robinson explained that the $800,000 Mr. Milosevich was referring to fell under the Public Works Road and Drain Maintenance budget for filling potholes, providing slope stabilization, sidewalk repair, tree and brush maintenance, and weed control and it was not under the same CIP budget where the $1 million is for paving roads.

Vice Mayor Tatzin questioned and confirmed with Mr. Coe that Camino Colorados would be reconstructed in 2009 under the current plan.

MARY BETH STADT voiced concern over the condition and safety of living along Camino Colorados, said they are a few blocks from school, many children ride their bikes and the situation is very dangerous due to the 30+ significant potholes. She said when guests visit her home, the first thing they discuss is the condition of her street and say it was like living in a third world country.

Councilmember Anduri said the Council has led and contributed toward campaigns to fund road work and if there were money to get roads fixed, money would have been spent toward this effort. He said Camino Colorados is not the only failed street, the City is aware of its condition, but the more roads that are fixed the harder it is to raise funds to address the larger problem. Ms. Stadt noted Driftwood is a recently repaired street that is not even traveled on, and she did not understand why it was repaired ahead of Camino Colorados.

Councilmember Federighi said one important criterion for evaluating which roads to be constructed is safety and that is why Camino Colorados has reached the top of the list for roads that need to be reconstructed. She said some money is spent on roads to keep them in a condition from falling into disrepair like Camino Colorados. Councilmember Anduri noted those roads being repaired in 2008 are in greater need of repair than Camino Colorados according to the committee who reviewed them, such as Estates and Canyon Drive.

MICHELLE VALENTE agreed with Item 10 that states the Roads Task Force agrees with the ranking and the concept of clustering roadwork and asked that deferred maintenance start with the worst roads first. Regarding Item 12, she asked for staff to provide an 8-10 year CIP program to fix all roads which she believed would appease many residents. She endorsed George Burtt's comments, asked that the minimum

reserve balance equivalent to 50% be re-evaluated, questioned if the reasoning for it was applicable today and questioned whether it should be lowered based on the need for road repair. She asked the Council to consider any revenue enhancements that would not unduly burden the entire population and she asked for timeline regarding the repair of Valente Drive, Mario Way and Fiora Place.

Vice Mayor Tatzin believed that the City spends money on roads as fast as it receives it so to some extent an 8-10 year CIP plan must make an assumption about what the road condition will be. When the City assumed it had a decent chance to pass a road bond measure, it failed. So, it pushes the time forecast out. And, a 10 year forecast is an assumption on road repair and its condition and not all roads will be fixed at the end of 10 years. Ms. Valente said all forecasts are assumptions and she asked for something to be put down on paper. Councilmember Federighi said the CIP outlines projects for 5 years based on projected revenue, but she agreed when there is a $23 million backlog, without passing a road measure, there is just not enough money to fix all the roads that need to be fixed.

GUY ATWOOD believed that if the Council completed all short-term work and runs the City the way it has been running, once all of those items are completed, the City will be able to do everything else on that list. He cited additional roads like Michael Lane needing repair, said the road problem took 40 years to come about, it was not ignored by the City, and it will take a long term solution. In 1995 a bond measure was passed, he was on the finance committee at the time, he has done planning and budgeting for most of his life and he would be willing to develop a long-term plan for all needs and return to the Council with numbers, ideas, alternatives and tangible information to work with. He noted some items are not funded by the General Fund, but funded by the RDA, special grants and other sources. Regarding the pothole maintenance program, it was designed only for roads the City knew it could not fix for 5 years or more and they needed to show the community that something was done. However, it is not cost-effective but it would be great if the City could do a special pothole overlay, which may be more viable. He encouraged the Council to prepare a long-term plan and said he would volunteer his time for addressing all needs on the list.

LYNN HIDEN underscored the need to address the work by EBMUD on Glenside and Los Palos Drive when they dug up the road for a leak. The road got fixed, it lasted two or three weeks, got fixed again and declined more. It was not fixed again until there were eight potholes in the location which got deeper and deeper. Finally a few weeks ago crews made their final fix in a deep rectangular cut into the asphalt base and it was now holding. She discouraged the Council from wasting money at repeated pothole repairs because they do not last.

ANN BURNS said the point is not to let any roads get into the same condition as Camino Colorados. She said they currently have 270 potholes on her street, believe residents have a right to have decent roads, said $590,000 was allocated last year for roads which has not been spent and she asked the Council not to put all of the emphasis on totally failed roads.

JIM BURNS referred to the many meetings he has attended where the Council has indicated there would be no need for additional funding for the library, but $5 million is still owed from the Redevelopment Agency. The Chamber has indicated they do not want the Parking Funds used and the City Manager has indicated the Code Enforcement

Officer position was put into place through increased parking fees, but no money has come in from additional parking as of yet.

SHERRY HOOVER believed people who live on failed streets are most affected and they want to know the Council is listening and that they care about the issue. She referred to the new formula for rating streets and said her street; Sharon Court, was rated number 1 a few years ago and now it is 49th on the list. She therefore asked the Council to repair Los Palos Drive and Camino Colorados ahead of Sharon Court even though it is probably more cost-efficient because the perception of the public is that the City is wasting money. She also asked someone to clarify what constitutes maintenance, repaving and complete reconstruction. She is in favor of letting the non-essential streets go except for the main roads that lead to the freeway. She also asked the City to review and consider a business license tax and said she would be willing to pay $35 a year for a sticker that serves as insurance policy against getting a ticket.

MAEVE PESSIS, Lafayette Homeowners Council, said she feels a plan is needed to get the job done, said Lafayette Homeowners Council supports greater expenditures to fix the roads, they have done a lot to work on the measure, it may be that other items will be subordinated to the overriding need of completing the 118 streets, but asked for a plan to be put together. Tomorrow night, the DSP will discuss walkability of the City which is dependent on good roads, sidewalks, and safety factors. She echoed comments made by Jay Lifson and Larry Blodgett, said LHC is concerned that lack of sufficient parking will affect sales tax and felt increased traffic might discourage shopping in town.

ERACH TARAPORE questioned whether there might be a better pothole mix that does not disintegrate, noting patching only lasts two weeks.

Director of Public Works Ron Lefler said the mix is used to work well in a confined, dry pothole. Unfortunately, rainy weather tends to pop out the fill material and while they avoid this, they want to address safety issues, regardless. Once dried out, hot mix is put into the pothole and it lasts long. He noted there is another type of cold mix that the City does not use because it disintegrates in 20-30 minutes later in rainy weather.

DAN BOSSHART said it was his understanding that the Council's philosophy for this meeting was to take a zero-based budget approach, hold a meeting and receive comments on budget priorities, and then start fresh. He is stunned to find out that people are discussing other budget priorities along with the need for road repair, questioned when there would be a vote taken on funding the PMP and a vote for less road reconstruction or a vote on more road reconstruction but no PMP funding. He said he understands why the Chamber would not want to see the Parking Fund money be used for road repair and questioned whether RDA money could be spent on downtown parking.

City Manager Falk said RDA funds can be used to acquire and build a parking structure. Regarding maintenance versus no maintenance, Mayor Anderson said the Council will be talking and not voting, about the long-term strategy and how to approach it.

Councilmember Federighi said tonight's discussion is goal-setting; there will be a subsequent meeting when the Council looks at the budget figures and allocates actual dollars.

MIRO MILOSEVICH referred to the intersection patch by EBMUD at Glenside and Los Palos Drive and questioned if the City or EBMUD paid for repairs. Mr. Coe said all of the work was done and paid for by EBMUD.

Mayor Anderson closed the public comment period.

Mayor Anderson said this Council has been continually reminded and responding to the roads issue. He said the City is allocating money for the problem, the process takes time, the Council is invested in this and will continue to do so, and at some point he hoped to achieve the community's confidence.

Councilmember Anduri felt the meeting was operating at two different levels; 1) what are the goals for the next fiscal year; and 2) what are those things we need to pay for and how will they be paid. He did not completely agree with the idea that the Council has squeezed-to-pave, acknowledges the City has not had the money to solve the entire problem and has approached each problem one by one with bond issues. If the bond issue had passed in 2004, the roads and police problem would have been solved. Last year the City tried again and it failed. He believed the City cannot continue to approach the issues in silos, felt the Council should look ahead at all issues and take a comprehensive look at future revenues and how to solve the problems. In doing this, significant additional revenues will need to be identified and he believed what the Council should do is what is outlined. He agreed the City needed an unbiased individual with a good reputation to conduct financial analysis, identify what the City is doing, make recommendations on how the City can operate more efficiently and spending dollars more effectively. Thereafter, a community process could occur as to what needs to be done from the analysis. The Council should look ahead 10 years, make some assumptions and see what revenue is needed to be raised to meet goals.

Vice Mayor Tatzin echoed Councilmember Anduri's statements, supported the formation of a Finance Subcommittee of unbiased individuals with a good skill set to analyze city finances and how services are provided and identify how things could be done more efficiently. He also believes a plan should be developed as to what might be done to educate and organize the community. He said there are about 50 active individuals but there are many more citizens who are not active, the City knows it is difficult to get a 2/3 majority vote when asking for revenue and the City fell short in each case. He discussed the need for broad support, public education, generation of ideas, and getting the word out to people who could then further spread the word for support.

Councilmember Federighi agreed with both Councilmembers Anduri and Tatzin regarding the start-up of a Finance Subcommittee. She did not believe the City had terrible inefficiencies, felt a fresh look would be welcomed and believed it is important to educate people. She asked staff not to drop a goal that was adopted in a subsequent year because it was never accomplished and cited the 2000/2001 goal of: "Work aggressively to locate and provide off-street parking in the downtown area." She said this was repeated several subsequent years but it does not show up on the current list. She referred to page 9 of the draft workplan and recommended not only developing a long-term strategy to fund the City's evolving priorities but to add to the list the City's top funding priorities as spending extra money on roads this coming year, as there were funds over the Council's target reserve.

Councilmember Andersson believed failure was a relative term, said the City is held to a high standard and it requires a lot more effort, education and time to make ballot measures work. He believed it was extremely useful for the Finance Subcommittee to arrive at recommendations, and to the extent that the result is those recommendations will convince people that all of the competing considerations have been considered and addressed in some way, it may be easier to get support for a revenue enhancement measure.

He said regarding Mr. Atwood's statements about his belief that by getting all of the short-term items done all of the others would get done, he agreed that if the majors work is done and money is put towards maintenance on a regular basis, it could be used to maintain, repair and keep up a set of good roads. At that point as the City expands in its sales tax and revenues there will be money to do a lot of the other things on an on-going basis. But without handling the roads there will always be pressure for monies to go elsewhere and the largest problem will always be the roads until they are fixed. If the Council agrees to have a Finance Subcommittee put together a comprehensive plan, the question is whether the City should look at other concerns and needs, should they put them off long enough to get the roads done or does it try and balance things on an on-going basis, leaving the roads as a constant squeeze on the budget.

Councilmember Anduri thought the Finance Subcommittee would look at what the City was doing now and its efficiencies and the long-term plan would be more of a community-based effort going forward. He said the failures of the two bond elections were very disappointing because they truly would have brought every road up to the standard and the City could have maintained those roads using the funds available. Also important to realize is that even if all monies were applied from the buckets of money, it does not fix all the roads, so the money must come from additional revenues.

Mayor Anderson questioned and confirmed that the City was fully funded and at full capacity for year 2008, that immediate concerns will be addressed in the 2008 plan, that there is a plan with enough staffing for 2008, and that additional road work would fall under the 2009 cycle or later.

Mayor Anderson requested adding as a priority on the 2008/09 Workplan a goal for the City to enhance its capacity to complete road work projects which may require additional staff or consultants. He requested adding Councilmember Federighi's request for adding the off-street parking downtown which was dropped from the previous workplan goals, supported an analysis of an efficiency review or task force, hoped the Finance Subcommittee would meet with the City Manager and put together a process to have the committee in place quickly and return to the Council with some recommendation. He also requested the business license tax be added to the list of items, as there have been discussions with the Chamber with an understanding that this might be a reasonable way to add dollars to the City's revenue. Lastly, he requested including a study to look at the City Hall; what the building is costing the City to rent and what the cost would be if the old library were converted to a city hall, including utilities and maintenance. He believed the roads issue is a tough problem and believed the City needs the additional capacity to plan for, manage and build projects.

Vice Mayor Tatzin agreed and supported taking a significant portion of the budget surplus and dedicating it to roads for the 2009 construction season. He reminded the Council that the State is telling the City they are facing a $14 million budget crisis and he

felt cities were better protect, but this means the State will simply be more creative. Therefore, the City should watch what happens and think about what its response might be. In the last budget downturn, the Council took action early on when other cities assumed nothing would happen and had to significantly cut staff and programs.

He also suggested continuing the discussion on delaying maintenance for one year of the good roads. There will be a one-time benefit which is not significant, but he recommended this be reviewed.

Councilmember Anduri noted that potential sources available for 2009 are $1 million from the General Fund, $400K from gas tax, $300,000 in Measure J monies, last year's funds which is now up to $753,400, money coming back from State bond funds of $400,000 this year and $400,000 next year, which totals $2,853,400, plus another $24,000 from another source per Mr. Coe or up to almost $2.9 million being applied to roads.

The issues and factors to consider in spending the 2009 money include: 1) do we take the Lafayette Circle Utility, Underground and Overlay Fund and the Arterial and Collectors PMP amounts out and defer them one year and put it into residential streets? 2) Can we increase the amount the City spends on roads, allocate some of the $1.8 million surplus this year, and determine much can City staff supervise in the way of projects? If money is switched out of the PMP project and put into residential roads, it requires a higher level of supervision with more and smaller projects.

Mayor Anderson believed that the 2009 Workplan should include some way of increasing the City's capacity, felt dollars could be moved to complete work, more could be done by delaying maintenance for one year and he supported developing a strategy for getting the most number of projects out and done.

Councilmember Federighi questioned and confirmed with Mr. Coe that the Department has been requiring 1 staff engineer for every $1 to $1.5 million. Therefore, they have the capacity to do $3 million worth of work next year; however, they must also look at the types of projects such as the additional time needed for storm drain designs or infrastructure upgrades versus simply doing PMP maintenance on a road in good condition. Mr. Coe said he presented two options to the Road Committee last month; one was to continue with PMP maintenance and do whatever local road repair projects with the money left over. They were able to do 3 or 4 projects. If the PMP maintenance is removed, 2-3 more projects could be added. If money is added to replenish the money taken out for PMP maintenance, this is a better solution because it takes less staff time and less staff resources to do $1 Million worth of PMP maintenance versus $1 million worth of local road repair. If you add more local road repair projects with more money from the excess General Fund Reserve, then staff may need to use consultants to a higher degree which he was not completely comfortable with in terms of how project management is handled and the type of service the community has become accustomed to.

Mr. Coe said staff must also look at this when ramping up staff capacity. If there is no long-term revenue, it does not make sense to spike up resources to do one year's worth of projects and then come back down to what the normal baseline level would be.

Councilmember Federighi questioned and confirmed with Mr. Coe that he was anticipating that by deferring maintenance for one year, those extra roads could be added without additional staffing because staff is dealing with the same size program.

Councilmember Andersson referred to Councilmember Anduri's comment that the City still would not have enough money to fix all of the roads. It sounds like Mr. Coe is saying that in order to ramp up staffing to handle the level of road repair if the bond measure passed, you really need to have some kind of assurance that you will actually have work for those people in future years. And this suggests additional funds to push it out another year or two past 2009. So, he felt the Council should think about where that revenue comes from and most likely it would be another vote. Mr. Coe thought somewhere the Council should now be thinking that, in that process will come a request of citizens for more money and on what basis the Council makes that presentation. Mr. Coe believes some strategy must be part of the discussion.

Councilmember Anduri agreed and said this is why the City should do this right away. He believed experts should work right away to review efficiencies; the City needs to identify the long-term needs, educate the voters, go out to the community and build the education component. He believed the sooner the City can identify needs and build a case to go out to the voters, the better off everyone will be.

Mayor Anderson said he understands the need for a long term plan and wants to do as much as possible in the short term to get the failed roads paved. If the Council's strategy is to not get roads paved as this will help us pass a measure, it does not serve the public or the City's infrastructure. Mayor Anderson supported concentrating on getting what the City can get done with the money it has, to identify a long-term plan, but he would like to see more done on failed roads, to utilize consultants and get neighborhoods to accept even though it may cost votes. Councilmember Anduri said the Council has never taken an action of withholding money in terms of affecting an election, and if the Council did this, it would lose some voters. He thought that to the extent that we can find money to fix the roads, this is what needs to be done.

ACTION: It was M/S/C (Tatzin/Andersson) to create a Finance Subcommittee and direct the Subcommittee to meet with the City Manager to work on a proposal that would come back to the City Council. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

MOTION: Councilmember Tatzin made a motion that the Council adopt the 2008/09 goals, as amended by adding back in the parking goal as a priority item which had been subsequently removed from the Workplan, looking at a business license fee, analyze renting versus owning City Hall office space, providing extra road funding for the 2008/09 year based on discussion by the Council and increase capacity to complete road projects.

DISCUSSION: Councilmember Andersson confirmed with Ms. Merideth that the goal of developing a green building program included all buildings.

Councilmember Anduri referred to the Workplan and the first new goal to "Develop a long-term strategy to fund the City's evolving priorities." He suggested it be changed to read "Identify the City's priorities for the next 10 years and develop a long-term strategy to fund them." Vice Mayor Tatzin agreed with the amendment to his motion.

Councilmember Anduri referred to the Workplan and the last goal to "Develop a green building program." He asked that it be broader to include the City's environmental strategy, and Ms. Merideth noted that developing a green building program is an item under the environmental strategy and she recommended not changing it. Councilmember Anduri agreed.

Councilmember Anduri opposed adding the business license tax as a goal. He believed a comprehensive look is needed, questioned if there is a better way to spend the City's money, we need to see what it is people want to spend their money on and the business license tax may be one of those things. He was concerned with doing things piecemeal, which has not been successful and it would be better to identify what it is we need the funds for and come up with a comprehensive plan.

Councilmember Federighi asked if the Finance Subcommittee could look at current operations and where the city could become more efficient and also explore or suggest potential areas of new revenues which could include the business license tax.

Mayor Anderson felt it would be important to include the business license tax, as the City has had some conversations with the Chamber, believed it could be helpful in the future and requested it remain on the list.

Vice Mayor Tatzin supported Councilmember Anduri's request to exclude the business license tax as he thought it could be addressed at some point in the future.

He clarified that his original motion was to adopt the 2008/09 goals, as amended by including the original parking goal as a priority item which had been subsequently removed from the Workplan, analyze renting versus owning City Hall office space, providing extra road funding for the 2008/09 year based on discussion by the Council, develop a plan for spending additional money for roads that reflects accommodation of funds including the excess surplus beyond the City's reserve level and one that considers capacity of staff and the ability to augment staff work.

ACTION: It was M/S (Tatzin/Andersson) to direct staff to return to the Council with a revised set of goals as stated in the record. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

Vice Mayor Tatzin also recommended that a 5-8 year road plan could fit within a long-term strategy of both expenditures and revenues, and the Council agreed with this direction.

Adjourn Redevelopment Agency

ACTION: It was M/S/C (Tatzin/Andersson) to adjourn the Redevelopment Agency. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

11. CONSENT CALENDAR

The following items were requested for removal: Item A.2 (Andersson); Item B (Anderson); and Item K (Tatzin).

ACTION: It was M/S/C (Federighi/Tatzin) to approve remaining Consent Calendar Items A.1., C, D, E, F, G, H, I, and J. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None: Absent: None).

A. City Council Minutes

1. January 22, 2008

Recommendation: Approve

C. Ordinance 570 to adopt Ordinance No. 2007-54 of the County of Contra Costa adopting the (1) 2007 California Building Code, (2) 2007 California Electrical Code, (3) 2007 California Plumbing Code, and (4) 2007 California Mechanical Code, with changes, additions and deletions.

Recommendation: Continue consideration of Ordinance 570 to February 25, 2008 for a public hearing.

D. Ordinance 571 to adopt Ordinance No. 2007-47 of the County of Contra Costa adopting the California Fire code with amendments.

Recommendation: Continue consideration of Ordinance 571 to March 10, 2008 for a public hearing.

E. GPO1-06/RZO1-O6CC: KO Architects (applicant), The Woodbury, LLC (owner), P1 Zoning: Request for approval to amend the planned unit development t (1) reduce the project unit count from the approved eighty (80) units to a project of not less than sixty (60) units and (2) make minor changes to the building elevations. The site plan, building footprints and envelopes and landscaping plans will remain unchanged. Project Location: 3758 Mt. Diablo Blvd., APNs 241-010-024, 033, 034, 040.

Recommendation: Continue without consideration to February 25, 2008.

F. Letter from Wilma Holgerson resigning as the Youth Commissioner adult advisor.

Recommendation: Accept with regret, schedule recognition and direct the City Clerk to advertise the vacancy.

G. Letter dated January 22, 2008 from John Kirke resigning from the Crime Prevention Commission.

Recommendation: Accept with regret, schedule recognition and direct the City Clerk to advertise the vacancy.

H. Letter dated January 24, 2008 from Fred Lopez resigning from the Citizens Advisory Committee, Contra Costa Transportation Authority.

Recommendation: Accept with regret, schedule recognition and direct the City Clerk to advertise the vacancy.

I. Agreement for Installation and Maintenance of Existing and New Landscaping between Legacy Trust, LLC and the City of Lafayette, located at 1271 Redwood Lane. APN 246-060-0 14

Recommendation: Accept agreement and authorize the City Clerk to record.

J. Agreement for Installation and Maintenance of Existing and New Landscaping between Michael Forkas and the City of Lafayette, located at 691 Old Jonas Hill Road. APN 240-060-016
Recommendation: Accept agreement and authorize the City Clerk to record.

Items Removed for Discussion/Action:

A. City Council Minutes
2. January 28, 2008
Recommendation: Approve.

Councilmember Andersson referred to Page 20, the last two paragraphs and requested the following amendments:

> "In Orinda, if you combine the homes that do not have a standard water supply, their nearest hydrant and homes that are not accessible, or homes that are far from fire stations, this amounts to 92% of the City. Therefore, nearly all new homes would require fire sprinklers. When he first moved to Lafayette ~~Orinda~~, 2 days later, he appeared before the City Council saying he was told by the Fire Marshal that Lafayette had found out about Orinda's ordinance and had taken the ordinance and was going to adopt it that night, which he encouraged they do. He said very recently, Moraga and Orinda have now gone to 100% new residential construction sprinkler requirement. In Lafayette, the criteria do not cover 92% of the City and it is a partial effect.
>
> Councilmember Andersson believed there is really no good reason not to sprinkler all new buildings. The cost of the systems compared to the cost of fires is favorable, the loss of life is ~~often~~ rare, but it does occur and he proposed requiring sprinklers in all new construction ~~that~~ with the exception in number 1 which deals with the amount of remodeling and asked Ms. Sinnette to obtain Moraga and Orinda's ordinances, continue the item and obtain their rationale and additional information."

ACTION: It was M/S/C (Andersson/Tatzin) to approve the minutes of January 28, 2008, as amended. Vote: 5-0-0 (Ayes: Anderson Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

B. Resolution 2007-042 approving a Joint Powers Authority Agreement forming the East Bay Regional Communication System.
Recommendation: Adopt Resolution 2007-042 and direct the City Manager to create a new sinking fund titled, "Regional Radio System" with an initial balance, for FY 2007/08 of $100,000.

Mayor Anderson questioned what was causing the cost of the Regional Radio System to be so high. City Manager Falk said this is a proposal that came about because various Alameda and Contra Costa County public safety organizations were not able to communicate with each other. The two counties put together a proposal and are pursuing creating a region-wide radio system. They made an application for grant money through the Department of Homeland Security, it is not clear how much the system will be funded by the federal government but it is anticipated it will be great.

He noted the City of Lafayette has 27 radios; the two counties have hired a consultant to do broad analysis and prepare a maximum estimate of what each city's share will be. The County Sheriff has already agreed to join and regardless, the City will pay for the

cost through our share of services. He noted the project is complicated, the Council had previously approved the system, and the City will also will retain its own original system in the instance that the larger system does not work.

ACTION: It was M/S/C (Tatzin/Andersson) to adopt Resolution 2007-042 and direct the City Manager to create a new sinking fund titled, "Regional Radio System" with an initial balance, for FY 2007/08 of $100,000. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

K. Agreement for Installation and Maintenance of Existing and New Landscaping encroaching into the City's right-of-way along Crest Road and Middle Road between Paul and Diane Bennett and the City of Lafayette, located at 7 Crest Road. APN 251-061-001
Recommendation: Accept agreement and authorize the City Clerk to record.

Vice Mayor Tatzin referred to the design of the final page and questioned if a car could get a car in the driveway in front of the gate if it were closed. Mr. Coe said the gate is already there, the road is wide, it is a low traffic area and staff reviewed the potential for any conflicts with a car parking in the street waiting for the gate to open and found it was rare or unlikely.

ACTION: It was (Tatzin/Andersson) to accept agreement and authorize the City Clerk to record. Vote: 5-0-0. (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

12. COUNCIL/COMMISSION REPORTS

A. Councilmember report on activities and consideration of matters a councilmember wishes to initiate for placement on a future agenda.

Councilmember Federighi requested hearing a report from Ms. Merideth on her NIMS training. Ms. Merideth said the training is focuses on earthquake preparedness education, team building, working with and addressing emergency situations, policies and procedures, and arriving at a response to an emergency. The last day is a four-hour real time exercise, held at the San Ramon EOC.

City Manager Falk said the Federal Government created NIMS because they found that after 9/11, they found agencies had various protocols and reporting relationships and now mandates that every management employee take NIMS training.

Councilmember Andersson reported attending the New Councilmembers Conference in Sacramento and briefly discussed an interesting session.

13. ADJOURNMENT

ACTION: It was M/S/C (Tatzin/Andersson) to adjourn the meeting at 10:13 p.m. to the next regular meeting on February 27, 2008. Vote: 5-0-0 (Ayes: Anderson, Tatzin, Andersson, Anduri, Federighi; Noes: None; Absent: None).

APPROVED:

_____
Mike Anderson, Mayor

ATTEST:

_____
Joanne Robbins, City Clerk